

"IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER."

Kotak Leave Encashment Group Plan

UIN: 107L088V02

A Non-Participating Group Unit Linked
Leave Encashment Insurance Plan

About the Plan

Kotak Leave Encashment Group Plan a Unit Linked group leave encashment plan that will not only help you manage your funds for the leave encashment benefit systematically & effectively but also will help you release resources for your core business activities.

Group Leave Encashment Plans help reduce the financial strain on the employer by helping them fund their Leave encashment liabilities payable to employees.

Key Features

-  Market-linked returns and long-term investment growth
-  Regular Additions for higher fund sizes
-  Choice of 7 fund options
-  Life insurance coverage for employees
-  Convenient renewal

Plan Benefits

For Employer

The cash equivalent of the Leave Encashment Benefit as and when paid by the employer is deductible from his income under section 43B (f) of the Income Tax Act, 1961.

For Employee

Under Section 10(10AA) of the Income Tax Act, 1961.

- For Government employees, the Leave encashment benefits received at the time of retirement are tax free.
- For non- Government employees, Leave encashment benefits are exempt from taxes subject to the least of the following amounts
 - Rs. 3 lakh
 - Ten months' average salary - Average salary implies the average of the salary drawn during the last ten months prior to retirement.
 - Cash equivalent of salary in respect of the leave due at the time of retirement
 - Leave encashment actually received at the time of retirement

Leave Salary paid to legal heirs of deceased employee in respect of privilege leave standing to the credit of such employee at the time of death is exempt from tax.

Note: Tax benefits under the policy will be as per the prevailing Income Tax laws and are subject to amendments from time to time. It is advised to take an independent view from tax consultant.

Regular Additions

Regular additional units will be added to the Schemes and the percent varies by fund size at the beginning of the calendar month and the rate of these additions is in the range of 0.05% to 0.50% per annum. Regular Additions are expressed as units and added to the unit fund at the end of the month.

Regular Additions units are added to the schemes where the Total Fund value is above Rs. 1 Crore at the beginning of the calendar month. The Regular Addition % varies by fund size and type of fund:

Fund Slabs (in Rs. Crore)	Group Money Market Fund (p.a.)	Group Gilt Fund (p.a.)	Group Bond/ Short Term Bond/ Floating Rate Fund (p.a.)	Group Balanced Fund/ Prudent Fund (p.a.)
Above 1 & up to 5	0.10%	0.05%	0.05%	0.20%
Above 5 & up to 10	0.20%	0.15%	0.15%	0.25%
Above 10 & up to 15	0.30%	0.25%	0.25%	0.30%
Above 15 & up to 20	0.30%	0.25%	0.25%	0.40%
Greater than 20	0.30%	0.30%	0.30%	0.50%

Features

On Member's survival

- On retirement /resignation or termination benefit is payable as per the Scheme Rules.

Death Benefit

On death of a member, the sum of the following will be paid out:

- Sum assured, flat Rs. 5000, and
- Leave Encashment Settlement as per Scheme Rules

Switching

Unlimited free switching between the available funds during the policy term is allowed.

Contribution re-direction

Offers the flexibility of redirection of annual contributions into any other fund(s), i.e. initial investment pattern can be changed.

Investment Options

Investment Option	Objective	Risk /Return Profile	Equity	Government/ Government Guaranteed Securities	Other Debt securities	Short term Investments such as money market instruments, short term bank deposits, call money and cash
Group Balanced Fund (ULGF-003-27/06/03 -BALFND-107)	Aims for moderate growth by holding a diversified mix of equities and fixed interest instruments	Moderate	30% to 60%	20% to 70%		0% to 40%
Group Bond Fund (ULGF-004-15/04/04-BNDFND-107)	Return is expected to be in line with those of fixed interest instruments, and may provide little protection against unexpected inflation increases	Conservative	-	0% to 75%	25% to 100%	0% to 40%
Group Floating Rate Fund (ULGF-005-07/12/04-FLTRFND-107)	Return is expected to be in line with those of floating rate debt instruments, and may provide little protection against unexpected inflation increases.	Conservative	-	0% to 75%	25% to 100%	0% to 40%
Group Gilt Fund (ULGF-002-27/06/03-GLTFND-107)	Return is expected to be in line with those of Government fixed interest securities, and may provide little protection against unexpected inflation increases.	Conservative	-	80% to 100%	-	0% to 20%

Investment Options

(contd...)

Investment Option	Objective	Risk /Return Profile	Equity	Government/ Government Guaranteed Securities	Other Debt securities	Short term Investments such as money market instruments, short term bank deposits, call money and cash
Group Money Market Fund- (ULGF-001-27/06/03-MNMKFND-107)	Aims to protect capital with minimal downside risks	Secure	-	-	-	100%
Group Short Term Bond Fund [ULGF-018-18/12/13-SHTRMBND-107]	Aims to provide reasonable returns and liquidity by investing in government debt, corporate debt and money market instruments of different maturities and issuers	Conservative	-	0% to 50%	25% to 75%	10% to 75%
Group Prudent Fund (ULGF-019-04/07/17 KGPFFND-107)	Aims to provide enhanced long term returns by taking a moderate exposure to equity and equity related securities and active management of a fixed income portfolio	Moderate	0% to 20%	40% to 100%	40% to 100%	0% to 40%

Eligibility

Particulars	Description
Group	Employer – Employee groups
Minimum Group size	10 employees
Entry age (Last birthday)	Min: 18 years Max: As per scheme rules, subject to maximum of 74 years
Maximum Maturity age (Last birthday)	As per scheme rules, subject to maximum of 75 years
Policy Term	1 year (Yearly renewable)
Sum Assured	Flat Rs. 5,000
Leave Encashment Contribution	Min: Rs. 2,00,000 at inception Max: No limit

Renewal

- The Policy shall be automatically renewed annually on the date of policy anniversary by deducting the applicable charges, if any, (mortality and applicable taxes /levies /cess as per the Tax Laws) by intimating the Policyholder.
- This policy shall be in force until terminated by either party hereto, in accordance with clause pertaining to termination of cover or the Policy is surrendered as per the scheme rules or by either party providing the other with prior written notice of thirty days.
- Further, the Policy shall be in force till the time the Fund Value has sufficient funds to cover the applicable charges. The Insurer shall intimate the Policyholder, 15 days in advance, in case the Fund Value does not have sufficient funds. Contributions shall be payable by the Policyholder, by the renewal date, in the amount as required as per the actuarial valuation of the Policyholder's liabilities by an independent actuary in accordance with the relevant prevailing accounting standards. Such actuarial valuation by an independent actuary shall be a sole responsibility of the Policyholder.
- In case the Policyholder fails to pay the sufficient Contribution/Premium by the renewal the contract will be terminated and surrender value, if any, shall be paid.

Charges

Premium Allocation Charges

This is charged as a percentage of the contribution. The net premium is then allocated at the Net Asset Value (NAV) prevailing on the date of receipt of premiums.

Premium Amount (in a policy year)	Allocation Charge (As % of contribution)
For premium up to Rs. 20 Crores in any policy year	0.5%
For portion of premium above Rs. 20 Crores in any policy year	NIL

Note: For policies sourced directly by KLI staff (Kotak Life Insurance employees) there will be no allocation charge.

Fund Management Charges

This is a charge levied as a percentage of the value of assets and shall be appropriated by adjusting the NAV. Following are the FMC applicable per annum for the available funds.

Fund Name	FMC (p.a.)
Group Money Market Fund	0.80%
Group Gilt Fund	0.80%
Group Bond Fund	0.80%
Group Floating Rate Fund	0.80%
Group Balanced Fund	1.00%
Group Short Term Bond Fund	0.80%
Group Prudent Fund	1.00%

Charges

(contd...)

Surrender Charges

- This is a charge levied on the Fund Value at the time of surrender of contract.
- Following charges are applicable depending on year of Surrender:

Year of Surrender	Charges applicable (as a % of Fund)
1 - 3 Year	0.05% or Rs. 5 lacs, whichever is lower
4 Year onwards	NIL

Administration Charges

No Policy Administration Charge

Switching Charges

No Switching Charge

Redirection Charges

No Redirection Charge

Suicide Exclusion

No suicide exclusion is applicable

Free Look Period

In case policyholder is not agreeable to any of the provisions stated in the policy, then he/she has the option of returning the policy, stating the reasons thereof within 15 days from the date of the receipt of the policy. The cancellation request should be submitted to nearest Kotak Life Insurance Branch or sent directly to our Head Office. On receipt of letter along with the original policy document arrangement shall be made to refund the non-allocated premium plus charges levied by cancellation of units plus fund value at the date of cancellation less expenses in accordance with IRDAI (Protection of Policyholders' Interests) Regulations, 2017. A policy once returned shall not be revived, reinstated or restored at any point of time and a new proposal will have to be made for a new policy.

This plan will not be offered through distance marketing channel.

Section 41

Extract of Section 41 of the Insurance Act, 1938 as amended from time to time states:

- (1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer.
- (2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.

Risk Factors

- Unit Linked Life Insurance products are different from the traditional insurance products and are subject to the risk factors.
- The premium paid in Unit Linked Life Insurance policies are subject to investment risks associated with capital markets and the NAVs of the units may go up or down based on the performance of fund and factors influencing the capital market and the insured is responsible for his/her decisions.
- Kotak Mahindra Life Insurance Company Ltd. is only the name of the Insurance Company and Kotak Leave Encashment Group Plan is only the name of the unit linked life insurance contract and does not in any way indicate the quality of the contract, its future prospects or returns.
- The various funds offered under this contract are the names of the funds and do not in any way indicate the quality of these plans, their future prospects and returns.
- The past performance of other Funds of the Company is not necessarily indicative of the future performance of the funds.
- Please know the associated risks and the applicable charges (along with the possibility of increase in charges), from your Insurance Agent or Corporate Agent / Insurance Broker or policy document of the insurer.

About Us

Kotak Mahindra Life Insurance Company Ltd. is a 100% owned subsidiary of Kotak Mahindra Bank Limited (Kotak). For more information, please visit the company's website at www.kotaklife.com

Kotak Mahindra Group Established in 1985, Kotak Mahindra Group is one of India's leading financial services conglomerate. The Group offers a wide range of financial services that encompass every sphere of life. For more information, please visit the company's website at www.kotak.com

BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS /FRAUDULENT OFFERS

IRDAI is not involved in activities like selling insurance policies, announcing bonus or investment of premiums. Public receiving such phone calls are requested to lodge a police complaint.

Kotak Leave Encashment Group Plan - UIN No.: 107L088V02, Form No.: N088. Ref No: KLI/20-21/E-PPT/240

This is a non-participating unit-linked group leave encashment plan. For more details on risk factors, terms and conditions, please read sales brochure /policy document carefully before concluding a sale.

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